

## NATIONAL PRIORITIES OF SOCIAL AND ECONOMIC DEVELOPMENT IN THE CONTEXT OF ECONOMIC SUSTAINABILITY

DOI: <https://doi.org/10.32620/cher.2025.1.03>

*Formulation of the problem.* The infrastructure in the Republic of Azerbaijan is constantly improving, the pace of its development within the framework of the implementation of large infrastructure projects is significantly increasing. Infrastructure projects make it possible to activate entire sectors of the economy, for example, metallurgy, produce construction materials, create jobs. *The purpose of the article* is research into national priorities for socio-economic development in the context of economic sustainability, identification of key factors influencing the formation of sustainable economic models, as well as analysis of strategies aimed at ensuring balanced growth and social stability. *The methodological basis of the research* in the article is the scientific work of the authors in the field of economics of culture, innovation management, management in the field of culture, as well as social partnership. The research was carried out on the basis of general scientific methods of research - a systematic approach, analysis and synthesis, methods of typological and comparative analysis, empirical methods. *The object of the study* is the sphere of culture, which needs conditions in which organizational and financial reforms are carried out, as well as the development and application of innovative management methods. *The hypothesis of the study.* The Government of Azerbaijan is implementing certain measures regarding the provision of infrastructure within the framework of the country's socio-economic growth. *Presentation of the main material.* First of all, it is emphasized that it is advisable to establish and study the specialization of municipal and regional economies, as well as their potential advantages over competitors. In this regard, it is necessary to take into account the factors of the division of labor at the international, interregional and inter-municipal levels. Secondly, it is important to establish the main direction of spatial and structural shifts in the Azerbaijani economy, and focusing on this direction, to form appropriate interrelated strategies, strategic planning documents regarding territorial, municipal, social and economic development. *The originality and practical significance of the study.* The country has a rich natural resource base for the development of this type of tourism: naphthalan oil, mineral thermal springs, therapeutic mud, favorable microclimatic resources, socio-economic base and tourism infrastructure (health and recreation centers, sanatoriums, etc.), legislative base. In the field of medical tourism, Azerbaijan deserves to be talked about at all the leading world platforms dedicated to this topic. *Conclusions.* The results obtained will contribute to the expansion of the scientific discourse on the integration of economic sustainability into national development strategies and will help determine the optimal ways of adapting economic systems to modern challenges.

### Key words:

infrastructure, innovation, socio-economic development, transport and logistics hub, government programs.

## НАЦІОНАЛЬНІ ПРІОРИТЕТИ СОЦІАЛЬНО-ЕКОНОМІЧНОГО РОЗВИТКУ В КОНТЕКСТІ ЕКОНОМІЧНОЇ СТІЙКОСТІ

*Постановка проблеми.* Постановка проблеми. Інфраструктура в Азербайджанській Республіці постійно вдосконалюється, темпи її розвитку в рамках реалізації великих інфраструктурних проєктів значно зростають. Інфраструктурні проєкти дозволяють активізувати цілі галузі економіки, наприклад, металургію, виробляти будівельні матеріали, створювати робочі місця. *Метою статті* є дослідження національних пріоритетів соціально-економічного розвитку в контексті економічної ста-

<sup>1</sup> **Мусасва Наїла**, доцент, викладач кафедри менеджмент, Азербайджанський університет туризму та менеджменту, Баку, Азербайджан.

**Musayeva Naila Rashid**, Associate Professor, Lecturer of the Department of Management, Azerbaijan Tourism and Management University, Baku, Azerbaijan.

**ORCID ID:** <https://orcid.org/0000-0001-8760-1500>

**e-mail:** [naila\\_musayeva@mail.ru](mailto:naila_musayeva@mail.ru)



[Creative Commons Attribution  
NonCommercial 4.0 International](https://creativecommons.org/licenses/by-nc/4.0/)





лості, визначення ключових факторів, що впливають на формування стійких економічних моделей, а також аналіз стратегій, спрямованих на забезпечення збалансованого зростання та соціальної стабільності. *Методологічною основою дослідження* в статті є наукова діяльність авторів у галузі економіки культури, інноваційного менеджменту, менеджменту у сфері культури, а також соціального партнерства. Дослідження виконано на основі загальнонаукових методів дослідження – системного підходу, аналізу та синтезу, методів типологічного та порівняльного аналізу, емпіричних методів. *Об'єктом дослідження* є сфера культури, яка потребує умов, у яких здійснюються організаційні та фінансові реформи, а також розробка та застосування інноваційних методів управління. *Гіпотеза дослідження*. Уряд Азербайджану здійснює певні заходи щодо забезпечення інфраструктури в рамках соціально-економічного розвитку країни. *Виклад основного матеріалу*. Насамперед наголошується на доцільності встановлення та вивчення спеціалізації муніципальних і регіональних господарств, а також їх потенційних переваг перед конкурентами. У зв'язку з цим необхідно враховувати чинники поділу праці на міжнародному, міжрегіональному та міжмуніципальному рівнях. По-друге, важливо визначити основний напрямок просторових і структурних зрушень в економіці Азербайджану і, орієнтуючись на цей напрямок, сформувати відповідні взаємопов'язані стратегії, документи стратегічного планування щодо територіального, муніципального, соціально-економічного розвитку. *Оригінальність і практична значущість дослідження*. Країна має багату природно-ресурсну базу для розвитку цього виду туризму: нафталанову нафту, мінеральні термальні джерела, лікувальні грязі, сприятливі мікрокліматичні ресурси, соціально-економічну базу та інфраструктуру туризму (бази оздоровлення та відпочинку, санаторії та ін.), законодавчу базу. У сфері медичного туризму Азербайджан заслуговує того, щоб про нього говорили на всіх провідних світових майданчиках, присвячених цій темі. *Висновки*. Отримані результати сприятимуть розширенню наукового дискурсу щодо інтеграції економічної сталості в національні стратегії розвитку та допоможуть визначити оптимальні шляхи адаптації економічних систем до сучасних викликів.

**Ключові слова:**

інфраструктура, інновації, соціально-економічний розвиток, транспортно-логістичний вузол, державні програми.

**Formulation of the problem.** Infrastructure plays a key role in socio-economic development and is an important aspect of the development of a modern economy. However, the current economic situation requires a serious review of some factors that determine infrastructure development. In this regard, the Republic of Azerbaijan has been implementing various state programs to improve the level of infrastructure development during the period of independence.

The significant expansion of all areas of public life achieved in Azerbaijan has seriously increased the geopolitical importance of our country in the world arena. However, at the same time, there was a need for effective access to foreign markets, the need for active participation in the social and economic processes that occur in the global economic space, as well as having competitive domestic industries. The processes of accelerated integration, globalization, stable development, etc., which are on the global agenda are of particular importance for Azerbaijan.

**Analysis of the research results.** Currently, the transport sector plays a key role in the sustainable and large-scale development of the republic's economy. This area covers activities in the manufacturing sector, the distribution and consumption of goods and services, and also oc-

cupies a significant place in all areas of economic life. The expansion of integration and improvement of economic ties between the countries of the planet proves that the transport complex is one of the key components of the economy of each country. Researchers, analyzing the social and economic side of the transport sector, confirmed that this sector determines large-scale reproduction. And therefore it is very important to create and implement a policy that takes into account the peculiarity of the transport network, its place in socio-economic processes. In this regard, for the stable expansion of the transport infrastructure, large investments, the formation and improvement of numerous transport hubs are needed.

Today, along with other regions, the republic focuses on the systematic and comprehensive development of the road sector. And as a result, programs are being implemented, the purpose of which is to improve the well-being of the population, increase the power of our state.

**The purpose of the article** is research into national priorities for socio-economic development in the context of economic sustainability, identification of key factors influencing the formation of sustainable economic models, as well as analysis of

strategies aimed at ensuring balanced growth and social stability.

**Presentation of the main material.** Over the past 20 years, all planned projects in the field of infrastructure and programs in the social sphere in Azerbaijan have been successfully implemented.

The infrastructure projects implemented in the Republic of Azerbaijan on the formation of international transport corridors North-South and East-West are of great importance. Every effort is being made to implement significant projects to transform our country into an international transport and logistics hub. At the current stage, work is underway to form a road infrastructure in the territories liberated from occupation. The "Road to Victory" corridor was created on November 16, 2020. Another project of strategic importance is the Zangelan-Horadiz highway. Its length is 124 kilometers. In addition, the construction of the Hadrut-Jebrail-Shukurbeyli road, with a length of 43 kilometers, is a strategic direction of our state today. Some of the road infrastructure projects implemented in the territories liberated from occupation are the Barda-Agdam, Khanlyg-Gubadly and Khudaferin-Gubadly-Lachin highways. The 29 km long Terter-Chayly-Sugovushan-Talysh highway was also restored.

At the moment, our country, which is in a favorable geographical position, significantly contributes to the implementation of all international and regional projects of international importance.

Currently, in accordance with international standards, work is underway to modernize the railway system, improve and reconstruct the state's railway infrastructure, and also to revive railways in the territories liberated from occupation.

It is almost impossible to imagine international economic relations without sea transport. Sea transport, compared to other types of transportation, is the most inexpensive mode of transportation in the entire transport network. In order to take advantage of maritime trade, investments are made to many countries. The Baku International Sea Trade Port was launched in 2018. Together with the functioning of ports within the country and abroad, high ship throughput and modernity are one of the main issues.

At present, in addition to the transport fleet, CJSC Azerbaijan Caspian Shipping Company consists of a shipbuilding enterprise and a specialized fleet.

Another area of the transport complex that is of great importance is air transport. Over the past few years, 7 airports have been built or restored in Azerbaijan. Today, there are 6 international (Baku, Nakhchivan, Ganja, Lankaran, Gabala, Zagatala) and 1 local (Yevlakh) airports operating in the country. In the territories liberated from occupation, 2 airports (Fizuli, Zengilan) have been commissioned and one (Lachin) will be completed in 2024.

The country's energy infrastructure also plays an important role. Azerbaijan's energy sector has always been an actively developing area and occupied a significant place in the South Caucasus. In recent times, hydrocarbon exports have been the main reason for the economic recovery, but the main task at the moment is to achieve priority expansion of non-oil sectors, increase the efficiency and competitiveness of the economy, taking into account the non-oil sector of the national economy. The strategy for socio-economic development adopted on December 6, 2016, No. 1138, strategic roadmaps for the prospects of the domestic economy gave a certain impetus in 11 areas. The strategic roadmaps include economic development strategies and an action program for 2017-2020, a long-term perspective until 2025 and a target perspective for the period after 2025. There is also a program for the development of the energy infrastructure of Azerbaijan for 2017-2030. It ensures an average annual growth in electricity consumption at the level of 4 percent. The energy infrastructure formed in the Republic of Azerbaijan will turn the country into a possible supplier of green hydrogen to the European market. New solar and wind energy projects prove our country's seriousness in the fight against climate change, that they play a key role in accelerating the transition to environmentally friendly energy. Our government and Masdar (UAE) will consider the possibility of constructing a wind power plant in Karabakh and Eastern Zangezur. The Karabakh region has high potential for electricity production from the sun and wind. Therefore, within the framework of the Memorandum with Masdar, there is an opportunity to build a solar station with a capacity of about 200 MW in Karabakh. The strategic goal of today for Azerbaijan is to increase its own renewable capacities, which will ensure the sustainability of the future in energy potential. Therefore, the focus of national security is on renewable energy sources. Modern energy production, which is based on renewable and envi-



ronmentally friendly sources, allows for more efficient use of hydrocarbons. As Table 1 shows, in terms of emissions of pollutants into the atmosphere in 2022, the following industries occupied large quantities: mining, transport, manufacturing, etc.

In terms of road infrastructure, the country's main development strategy, "Azerbaijan 2020: A Vision for the Future," prioritizes the development of the following corridors: east-west from Baku to Georgia and north-south. However, the World Bank advises focusing on secondary and local roads to reduce transport and trade costs and increase internal connectivity. The Azerbaijan Sea Trade Port on the Caspian Sea in Baku is the country's most valuable transport infrastructure asset, and its further improvement and capacity building are among the priorities outlined in the "Azerbaijan 2020" strategy. Given that, at current production levels, Azerbaijan risks exhausting its oil and gas resources within about 30 years, the Alat port is considered one of the key elements of the strategy to transform the oil-producing country into a regional trade and transport hub. Over the past 20 years, our country has been implementing significant reforms to improve its investment climate by improving the organizational, regulatory and operational conditions for the functioning of organizations in the state. These reforms are part of the government's efforts to expand industry and enhance the republic's credibility.

The construction of important infrastructure projects in the territories liberated from oc-

cupation is planned to be completed within three years. One of the important infrastructure facilities for attracting investment are highways and railways. In this regard, airports in the liberated territories act as a development of tourism and growth of cargo transportation.

Large infrastructure projects planned for implementation in Karabakh will become the main driving force for the development of the Azerbaijani economy.

Currently, in the regions liberated from occupation, on about one and a half dozen sites, the construction of roads and other road infrastructure, the length of which is more than 700 km, is being implemented. The construction of highways, bridges and tunnels is carried out at a fairly fast pace, at the highest level of safety and quality. This is due to the use of modern construction equipment and know-how, and of course, thanks to the involvement of foreign construction companies, mainly Turkish ones.

As a long-term goal, a Strategic Roadmap has been drawn up, which includes short-term (from 2016 to 2020), medium-term (from 2020 to 2025) and long-term (after 2025) programs and combines such points as supporting tourism development, providing high-quality and competitive tourism services in the local and global markets, creating a tourism experience taking into account local values, stimulating new investment projects based on modern innovations, and coordinating responsible bodies related to the development of the tourism industry.

Table 1 – Electricity production, million kW

Years	Electricity production	Including					
		Thermal power plants	Hydroelectric power plants	Wind power plants	Solar power plants	Electricity from waste incineration	Electricity from biomass combustion
2016	24 952,9	20 699,0	1 959,3	22,8	35,3	174,5	0,0
2017	24 320,9	20 445,4	1 746,4	22,1	37,2	170,3	0,0
2018	25 229,2	21 242,9	1 768,0	82,7	39,3	162,2	0,0
2019	26 072,9	22 289,7	1 564,8	105,4	44,2	195,9	0,0
2020	25 839,1	22 471,3	1 069,5	96,1	47,0	200,6	0,0
2021	27 887,8	24 308,8	1 277,3	91,4	55,2	193,2	-
2022	29 039,8	25 137,4	1 595,7	83,3	60,9	205,3	-

Source: [5]

Particular attention is paid to neighboring countries, in particular Turkey, Iran, Georgia, and since they have traditionally been the source countries of tourism in Azerbaijan. According to the Strategic Road Map, the government focuses

not only on the development of foreign tourism, but also on domestic tourism in order to create a microeconomy of the country. The Strategic Road Map also includes support for the development of the tourism industry within the estab-





lished time frame, the provision of high-quality and competitive tourism services in the international and local markets, the formation of tourism experience, the stimulation of new investment projects based on modern ideas and innovations, and the cooperation of relevant authorities in the development of tourism. One of the goals of the state tourism program is to increase the number of foreign tourists to Azerbaijan to 4

million people by 2026, while the number of domestic tourists is planned to be up to 6 million citizens. In turn, it should be noted that in 4 years, the turnover of the domestic tourism sector will increase by 4 times compared to 2021 indicators and reach 11.2 billion manats, of which about half of this amount will be formed by foreign tourists (Table 2).

Table 2 – Dynamics of tourist accommodation for 2019-2022

Indicators	2019	2020	2021	2022
GDP, in current prices, million manats	1980,2	829,2	1176,3	2115,2
Share in total GDP, in percent	2,4	1,1	1,3	1,6
GDP production growth rate compared to the previous year, in percent	6,4	-58,9	34	58,2

Source: [5]

As shown in Table 2, GDP at current prices in 2022 in the tourist accommodation and catering sector increased by 2.6 times compared to 2020. From January to November 2023, the share of GDP reached the 2019 data, which corresponds to the fact that today the tourism sector is recovering from the pandemic. Focusing on the tourism industry will require an increase in the number of tourist accommodation facilities and the creation of a more developed tourism infrastructure. Changes in the management structure of government agencies related to tourism, the establishment of the Tourism Agency in Azerbaijan can mark a new stage in the development of the tourism sector of Azerbaijan. In addition, further development of the image of Azerbaijan and its tourism brand can successfully increase the number of visitors to the country in the coming years. The implementation of the TRACECA (Transport Corridor Europe-Caucasus-Asia) program, later called the "Revival of the Great Silk Road", plays a significant role in the development of tourism in Azerbaijan.

Azerbaijan's participation in this project, in addition to great opportunities in the field of trade and transport, will increase the influx of tourists into the country, attract investment in the tourism industry, and promote the development of tourism entrepreneurship.

The development of tourism is positively influenced by high-level international sports events held in Azerbaijan, which are also major tourist events. The tourist aspect of such

events significantly exceeds the sporting aspect in importance. From an economic point of view, the tourist component of such events affects the influx of tourists and finances into the country, and opportunities have opened up for using the enormous tourist potential of the liberated territories of Azerbaijan.

It should also be noted that the number of foreign citizens arriving in Azerbaijan, the number of tourist enterprises, collective accommodation facilities (hotels, resort and sanatorium organizations) is increasing every year. The number of tourists using the services of tourist centers, boarding houses, hotels, etc. has increased many times.

In the recent past, tourists most often came to Azerbaijan individually. In recent years, the number of tourists visiting the country in groups has increased significantly. This became possible as a result of the development of the tourism industry, the effective work of local tourism companies (firms) and the widespread promotion of Azerbaijan's tourism potential beyond its borders.

It should be recognized that the cultural heritage and rich natural resources available in Azerbaijan cannot be positioned as the only condition for the effective development of tourism in the country, since they are only one of the elements of the tourism offer.

Dozens of magnificent hotels, including world brands, have appeared in our country, the road infrastructure has improved, and the level of services in the tourism sector has risen. The city of Baku has become recognizable not



only as the oil capital. Active work is being done in the direction of tourism outside of Baku, where a large world of natural landscapes and cultural heritage is located. From the snow-capped peaks of the Greater and Lesser Caucasus to the endless sandy beaches of the blue Caspian Sea, the territory of Azerbaijan stretches - a country with a rich history and fabulous nature. Millions of tourists come here every year, and their number is constantly growing. Speaking about the great tourist potential of our country, it is important to note that there are many ways to achieve this goal. It is necessary to find non-standard approaches to attracting tourists. It would be great if, following this logic, the regions that we know as the most attractive for tourists developed "their own brand", by which they would be recognized outside the country. As examples, the regions of Azerbaijan that are attractive for their specificity. For example, the tradition of holding regional events, such as the Pomegranate Festival in Goychay, the Apple Festival in Guba, the Jam Festival in Gabala, etc. Surely, in other regions, such as Ganja, Sheki, Lankaran, there are similar traditions that should be actively promoted both within the country and abroad. After all, it is important to convey to a potential traveler all the delights of these events, emphasizing their uniqueness and attractiveness. It is also worth mentioning the village of Khinalig - an island of ancient culture in the Caucasus Mountains, which is famous for its unique language, peculiar customs and traditions. And also the unique in their nature sanatoriums of Naftalan and the salt caves of Duzdag in Nakhchivan.

**Conclusion and prospects for further research.** Among the variety of tourism types, health and recreational tourism occupies a special place. The country has a rich natural resource base for the development of this type of

tourism: naphthalan oil, mineral thermal springs, therapeutic mud, favorable microclimatic resources, socio-economic base and tourism infrastructure (health and recreation centers, sanatoriums, etc.), legislative base. In the field of medical tourism, Azerbaijan deserves to be talked about at all the leading world platforms dedicated to this topic. In our country, mineral waters are widespread only in the Lesser Caucasus and the Nakhchivan region. Examples of such waters are such famous mineral water sources as Nahajir (Ordubad), Badamli (Babak), Turshsu (Shusha), Kyzylджа (Gedabay), Daridag (Julfa), Istisu (Kelbajar). The number of these healing waters is more than 100. It is worth noting that the Gobustan reserve is called an open-air museum, and having studied the rock paintings there, there is evidence of the historical heritage of our country. Thus, tourism is a source of both direct and indirect income for the state, stimulates the development of various industries not directly related to tourism infrastructure, but due to the multiplier effect.

### References

1. Khutorova, N.A. (2015). Green growth as a new vector of development of the Russian economy. *Vestnik MGUL - Lesnoy Vestnik*, 19 (1), 190-198.
2. Vukovich, N.A. (2018). "Green" economy: definition and modern environmental-economic model. *Bulletin of UrFU. Series: Economics and management*, 8-15.
3. Zenchanka, S., Korshuk, E. (2015). The 'green economy' concept in Belarus: Today and tomorrow. *Progress in Industrial Ecology – An International Journal*, 9 (1), 33-45.
4. Law of the Republic of Azerbaijan "On Tourism" dated February 18, 2022 No. 448-VIQ.
5. Electronic library system: Official website of the State Statistics Committee of Azerbaijan. – Baku, 2023 Retrieved from: <https://president.az/ru/search/index/2021> (Access date: 20.09.2024)

---

Стаття надійшла

до редакції : 29.09.2024 р.

---

Стаття прийнята

до друку: 30.03.2025 р.

---

### Бібліографічний опис для цитування :

Musayeva N. National priorities of social and economic development in the context of economic sustainability. *Часопис економічних реформ*. 2025. № 1 (57). С. 29–34.

---

